

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Rural Digital Opportunity Fund)	WC Docket No. 19-126
)	
Connect America Fund)	WC Docket No. 10-90
)	

**REPLY COMMENTS
OF
GVNW CONSULTING, INC.**

October 21, 2019

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I. INTRODUCTION

GVNW Consulting, Inc. (“GVNW”) submits these reply comments to address comments filed in response to the Federal Communications Commission (“FCC”) request for comments relating to the Rural Digital Opportunity Fund as set forth in the Notice Of Proposed Rulemaking in the above-captioned docket.¹

A review of the comments filed in response to the Commission’s request shows that there is support in the record for the Commission to use a more thorough short-form application process to ensure that potential bidders have the technical expertise and ability to provide service. Further, for the continued use of census block groups as the bidding unit for the RDOF auction and for changes to the weighting points for the Above Baseline tier and the Baseline tier to account for the difference in quality and capacity between Fixed Wireless and Fiber Optic systems.

¹ *Rural Digital Opportunity Fund*, WC Docket No. 19-126, *Connect America Fund*, WC Docket No. 10-90, Notice of Proposed Rulemaking (rel. Aug. 2, 2019) (“*NPRM*”).

II. DISCUSSION

A. **Some Parties Have Commented that A More Thorough Process Should Be Used When Reviewing The Short-Form Application To Ensure That Entities Can Meet Their Service Obligations In The Areas They Will Be Bidding.**

GVNW supports the comments in the record expressing a need for the Commission to set forth a more thorough process for reviewing the short-form application to ensure that companies that will be bidding can meet the obligations of providing the service in the areas where they are successful in the auction. For example, USTelecom commented that it is “concerned that the information now required in the short form is insufficient to ensure an applicant can scale its business (possibly substantially) should it win in the auction.”² USTelecom further stated that the “Commission should add questions to its short form evaluation process to help determine not just that a company has been in business for two years and has audited statements, but that it has the employees and expertise to scale its network, if necessary.”³ Similarly, NRECA commented that “only competent, qualified entities utilizing proven technologies” should participate in both “the Phase I and the Phase II auctions.”⁴ NRECA suggested that in order to achieve this objective the FCC should “shift more of the detailed technical and financial showings from the long-form application to the short-form application.”⁵ In addition, NTCA commented, “it is important that the Commission make a greater effort to require potential RDOF bidders to demonstrate more thoroughly their qualifications and capabilities to deliver as promised prior to participating in the auction. This can be achieved through a few simple steps, focused particularly on an entity’s

² Comments of USTelecom – The Broadband Association, WC Docket No. 19-126; WC Docket No. 10-90 (filed September 20, 2019), (“USTelecom”), p. 19.

³ *Id.*

⁴ Comments of National Rural Electric Cooperative Association, WC Docket No. 19-126; WC Docket No. 10-90 (filed September 20, 2019), (“NRECA”) p. 13.

⁵ *Id.*

technical and operational capabilities to perform.”⁶ One step that NTCA suggested that the FCC could use would be to “require potential RDOF bidders to include in their short-form application propagation maps that show the rural topographies where they intend to bid along with a reasonably detailed justification for their purported capability to deliver service to every corner throughout those areas based upon reasonable assumptions regarding technological capability and subscription.”⁷

GVNW supports the comments that the FCC should use a more thorough short-form application process to ensure that potential bidders have the technical expertise and ability to provide service in the areas that they may be bidding upon using the technology that they intend to deploy, and at the speeds and latency that will be required.

B. The Record Supports The Continued Use Of Census Block Groups As The Bidding Unit For the RDOF Auction

GVNW agrees with the comments in the record that the Commission should continue to use census block groups as the bidding unit for the RDOF Auction. NTCA commented, “As in the last auction, NTCA recommends that the Commission conduct the RDOF auction using census block groups as the bidding unit to facilitate participation by as many bidders of all sizes as possible, while simultaneously ensuring that the sheer volume of bidding areas will not preclude entities from being able to participate due to added complexity.”⁸ Likewise, NRECA commented, “Retaining census block groups as the minimum bidding areas best serves the public interest.”⁹

⁶ Comments of NTCA – The Rural Broadband Association, WC Docket No. 19-126; WC Docket No. 10-90 (filed September 20, 2019), (“NTCA”), p. 24.

⁷ *Id.*

⁸ Comments of NTCA, p. iv.

⁹ Comments of NRECA, p. 12.

NRECA further noted, “Smaller units might be valued by entities looking only to ‘edge out’ from their current service territories, but this interest is contrary to the intent of the auction to extend coverage to unserved areas.”¹⁰ Moreover, NRECA suggested that bidders that prefer larger bidding areas could use package bidding since it “provides the desired flexibility to meet their wide-area objectives and may offer more flexibility as the auction progresses.”¹¹ Lastly, NRECA commented, “Bidding areas larger than census block groups would disadvantage small, rural providers who won significant funding in the CAF II.”¹²

GVNW agrees with the comments made by NTCA and NRECA that the FCC should continue to use census block groups as the bidding unit for the RDOF auction. GVNW believes that the use of census block groups will allow entities of all sizes to participate in the auction while ensuring that small entities are not disadvantaged in the auction by the bidding areas used being larger than census block groups. Further, GVNW believes that the use of census block groups will help to limit entities from using the auction to “edge out” from their current territories.

C. The Weighting Points For The Above Baseline Tier and Baseline Tier Should be Increased.

GVNW agrees with comments in the record that the Commission should revise the weighting points for the Above Baseline tier (100/20 Mbps service) to account for the differences in scalability and performance. The North Dakota Joint Commenters stated that while they supported the “use of weights in the RDOF reverse auction, the Commission’s proposed point spread of 25 points between the Gigabit tier and the Above Baseline tier (100/20 Mbps) is too low

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

and does not take into account certain factors such as technology longevity, ubiquity of service and service consistency.”¹³ The North Dakota Commenters noted, “while it should not be viewed as the sole factor, the point spread must account for speed.”¹⁴ The North Dakota Commenters further explained:

A fixed wireless system cannot achieve and maintain the 100/20 Mbps speed obligations as more customers are added to an Access Point. There is a finite amount of spectrum available on an Access Point. The performance variations between subscriber units will degrade the performance of the whole Access Point as more customers are added. Conversely, fiber optic systems can achieve and maintain much higher speed obligations even as more customers join. A fiber optic system provides each customer the unlimited capacity of a single strand of fiber.

Next, technology longevity is an important factor to consider when determining the point spread between the Gigabit tier and the Above Baseline tier. A fixed wireless system’s central office plant and network plant are only designed to last for 15 years. Fiber optic systems are designed for significantly greater longevity than wireless systems. The fiber life ranges from 35 to 50 years.¹⁵

The North Dakota Commenters also noted that ubiquity of service was a crucial factor that should be considered in determining the point spread and then described differences in service between fixed wireless and fiber optic systems in regards to distance—stating that fiber optic systems do not “degrade or weaken with distance.”¹⁶ Moreover, that “distance, terrain and terrestrial vegetation are often huge factors in determining whether service can be provided to

¹³ Comments of North Dakota Commenters, (filed September 19, 2019), p. 1.

¹⁴ Comments of North Dakota Commenters, p. 2.

¹⁵ *Id.*

¹⁶ Comments of North Dakota Commenters, p. 3.

customers via a wireless technology.”¹⁷ Lastly, to “provide for a spread that more accurately reflects technology longevity, ubiquity of service and service consistency,” the North Dakota Joint Commenters proposed that “the Above Baseline tier (100/20 Mbps) be increased from 25 to 50 and that the Baseline tier (25/3 Mbps) be increased from 50 to 65.”¹⁸

GVNW agrees with the comments made by the North Dakota Commenters that for the Above Baseline tier (100/20 Mbps) the FCC should increase the score from 25 to 50 and that for the Baseline tier (25/3 Mbps), the FCC should increase the score from 50 to 65. GVNW agrees with the North Dakota Commenters that when the difference in quality and capacity between fixed wireless and fiber optic are considered, a bidder’s ability to offer fiber should come with a greater weighted point differential.

III. CONCLUSION

For the reasons set forth herein, GVNW believes that there is support in the record for the use of a more thorough short-form application process to ensure that potential bidders have the technical expertise and ability to provide service in the areas that they may win in the auction. Further, GVNW believes that the record supports the continued use of census block groups for the RDOF because it will allow entities of all sizes to participate in the auction. Lastly, GVNW believes that when the difference in quality and capacity between fixed wireless and fiber optic are considered, a bidder’s ability to offer fiber should come with a greater weighted point differential.

Respectfully submitted,
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¹⁷ *Id.*

¹⁸ Comments of North Dakota Commenters, p. 4.